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**Top Secret**



# Intelligence Memorandum

## *Libyan-Soviet Relations*

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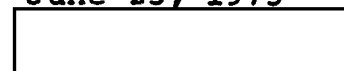


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### Introduction

The relationship that has developed between Libya and the Soviet Union during the last year adds a new and potentially dangerous element to the Middle East equation. Soviet military assistance and diplomatic attention has enhanced President Qadhafi's ability to promote radical causes in the Arab world. It may also encourage him to expand his activities in such diverse places as Ethiopia and the Philippines. Of immediate concern is the unsettling effect Libyan-Soviet cooperation is having on Egypt, and the possibility that this may ultimately hinder progress in peace negotiations.

Soviet-Libyan relations have broader implications for the Mediterranean area and for the US. The magnitude of the most recent arms agreements—although greatly exaggerated in most accounts—raises the possibility that Moscow will gain a new strategic foothold in Libya. Whether Moscow is able to parlay these initial successes into greater assets will depend on the Libyans and on Soviet ability to treat with them. While both sides are still uneasy with one another, each seems interested—if not anxious—to maintain the momentum of the recent movement toward better relations.

This memorandum assesses the current status of the Soviet-Libyan relationship, the motives behind it, and the direction it may take.

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### Evolving Relations

The Soviets enthusiastically greeted the 1969 Libyan coup that brought Qadhafi to power, but they soon discovered that the Libyan leader was bitterly anti-communist and suspicious of "super power" influence in the Middle East. Soviet overtures for closer ties were rebuffed by Qadhafi, and the Soviets soon joined those who found him erratic, unpredictable and irresponsible. Political ties were openly strained and characterized by frequent ideological invective. The Libyans did buy from Moscow prior to 1974 some \$125 million in military equipment, mainly armor and other ground forces equipment. Tripoli also sold Moscow some oil, but these deals ended when oil prices skyrocketed in 1974.

During the last year, Libya and Moscow have begun to move in a new direction. On the Libyan side, the key has been a desire to coordinate their military inventory with those of the Arab front line states. The Soviets have wanted influence in a new corner of the Middle East and Libyan hard currency. A commonly held antagonism to Egypt has motivated both parties to seek better relations with each other. The Soviets also saw a chance to gain some advantage over the US in the Arab world, particularly since the US has been unwilling to meet Libya's minimal arms requests.

A turning point in Soviet-Libyan relations was Prime Minister Jallud's visit to the USSR in May 1974, which led to two substantial military sales agreements. Soviet Premier Kosygin's visit to Libya last month, the first by a top Soviet leader, was a follow-up to the Jallud visit. Kosygin sought to expand military and economic dealings and establish a closer political relationship.

Kosygin's visit was only one sign of the change in a relationship that not long ago was fraught with misunderstanding and recrimination. Polemics have been muted, Libya has upgraded its representation in Moscow by replacing its charge with an ambassador, and the Soviets have established one of their many "friendship societies" to further the idea of better Soviet-Libyan relations.

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Nothing that happened in Tripoli, however, significantly narrowed the substantive differences between the two countries regarding the nature of communism, the right of Israel to exist, or the outlines of a Middle East settlement.

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[REDACTED]

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Kosygin's visit to Libya and news of an expansion of a 1974 military agreement between the two sides have given rise [REDACTED] to exaggerated reports about massive arms purchases and Soviet base rights in Libya. [REDACTED]

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[REDACTED] it represents a major expansion of the military relationship between Tripoli and Moscow. According to our preliminary estimates, the arms accords since 1974 represent nearly a one-billion-dollar commitment that may be open-ended. Moscow's commitments now do not necessarily guarantee that Tripoli will receive all of the weapons it has requested [REDACTED]

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[REDACTED] If the deal is fully carried out, however, it will provide Libya with far more equipment than it can possibly absorb, thus providing the Soviets an opening for increasing their physical presence in the area.

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[REDACTED]

The two sides have also reached a number of agreements in the economic and scientific fields that will draw them closer together. The most noteworthy is a preliminary accord under which the Soviets have agreed to build a nuclear research center in Libya. This agreement—which will not be finally concluded until the end of the year—has provisions for a small 10-megawatt research reactor—similar to those the Soviets have given Egypt and Iraq—a training program, and advisory and coordination assistance. Libya has ratified the Nuclear Non-Proliferation Treaty—presumably a condition for receiving the reactor—therefore, it should come under international safeguards.

If the agreement materializes, it will not significantly advance Libya's quest for nuclear weapons, but it will enable Tripoli to take the first halting step toward acquiring the necessary expertise.

#### **Soviet Military Use of Libya**

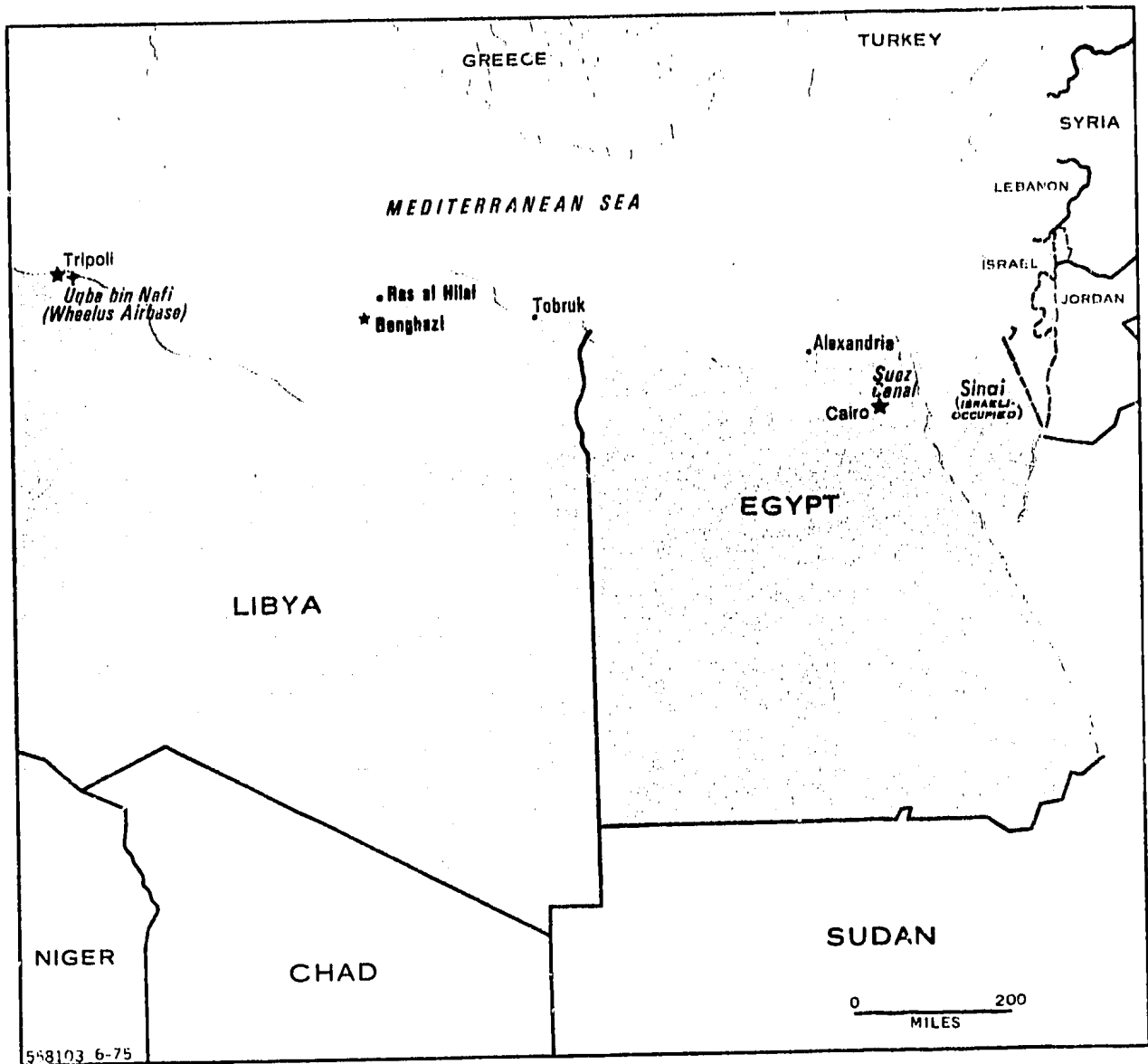
One major breakthrough for the Soviets is the commitment they appear to have won on naval access to at least some Libyan ports. Until now, the Libyans have restricted even routine port calls; no Soviet naval combatant has visited Libya since 1969. [REDACTED]

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[REDACTED]

Our estimate is that at this stage the Libyans, in response to Soviet urgings, have decided to grant Moscow occasional port calls for bunkering and replenishment and will initially attempt to keep a tight leash on the Soviet navy. The Libyans may be dangling the prospect of greater concessions in return for Soviet help in building Libyan naval facilities. So far, however, we have detected no Soviet naval vessels in Libyan waters.





At present, Libya does not have much to offer Moscow in the way of significant naval facilities—particularly in comparison to the dockyard Moscow uses in Alexandria. Tripoli and Benghazi are crowded commercial ports currently under extensive renovation with limited berthing space and only minor repair facilities. Tobruk at present has only limited berthing space and no significant repair facilities. It does have a large natural harbor and potential for development.

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If Moscow could gain unrestricted use, currently available anchorages and bunkering in Libya would provide a suitable alternative for all Egyptian ports other than Alexandria. Moscow would have to make extensive use of its repair ships and even these would be no substitute for Alexandria. Moscow, however, would find it difficult to maintain its current level of deployments—particularly submarines. If the ex-US air base at Uqba bin Nafi (Wheelus Field) were made available, it would provide first class facilities for Soviet naval reconnaissance and attack aircraft—which the Soviets have not had in this area since 1972.

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#### Soviet Interests and Intentions

In responding to Libyan arms requests, the Soviets appear to have had one eye on making a fast buck. Soviet officials have commented on the

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financial windfall opened up by Moscow's arms transactions, and certain aspects of the sales bear the earmarks of sharp trading. The Soviets, for example, apparently are charging Libya full price for the weaponry, in contrast to the concessionary prices they have offered other clients. Moscow may also be trying to trade the Libyans up to more advanced and higher priced weapons.

Political objectives, however, were almost certainly controlling. It is hardly coincidence that the Soviets began to make progress with Tripoli at the same time that its relations with Egypt were becoming more difficult. The Soviets want to put Sadat on notice that they have other options open to them and want to contrast their military generosity in Tripoli with their stinginess in Cairo.

While Moscow wants to send Sadat a message, there is no evidence that the Soviets have directly encouraged Tripoli's campaign against him, and it is doubtful that they have taken the risky step of directly colluding with Qadhafi against the Egyptian president. Indeed, the comments of some Soviet officials suggest that Moscow does not want Libyan-Egyptian friction to become so bitter as to complicate its ability to maneuver between both.

Soviet efforts in Libya are also part of Moscow's more general efforts to win a place of influence in the Middle East, and the Soviets would have responded to overtures from Tripoli even if their relations with Cairo were better. Closer relations with Libya enable Moscow to keep one foot in the camp of Arab "rejectionists." This could prove useful to the USSR if it wants to switch tracks and try to obstruct a Middle East settlement. In the meantime, this threat forces the US and Egypt to give Soviet interests in a settlement serious consideration, particularly when a new round of step-by-step diplomacy is in prospect.

The Soviets seem to recognize, however, that they have few ideological allies in the Libyan body politic. Furthermore, they do not overrate Libya's political significance and certainly do not see it as an influence in the Arab world comparable to Egypt—or even Syria or Iraq.

Libya's strategic location on the southern rim of the Mediterranean could be of considerable advantage to the Soviet fleet if it is shut out of Egypt. Nevertheless, it is unlikely that the Soviets have any expectation of making significant use of Libya any time soon. The fact that the Libyans inserted their usual rhetoric opposing foreign bases in the Mediterranean into the communique ending Kosygin's visit will help keep Soviet hopes in perspective.

If the Soviets have gotten Libya to drop its opposition to Soviet naval visits, however, they will be encouraged to press for more. They will certainly seek to put their access to Libyan ports on a regular basis, similar to what they now have in Syria.

The substantial inflow of Soviet arms into Tripoli is not without problems for Moscow/

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It also opens Moscow to potential Western accusations that Soviet actions destabilize the Middle Eastern situation and violate the spirit of detente. We do not think, however, that these considerations have given Moscow much pause.

Nor has concern over the use Qadhafi might make of Soviet weapons, such as bombers and submarines, inhibited Moscow from promising them. The Soviets probably are uncertain about Qadhafi's intentions. Grechko once described him as a "madman on top of a pile of gold," and Moscow was irritated when Tripoli gave the SA-7 to fedayeen. But Moscow is certain that Libya cannot master all of its weapons without Soviet assistance. In any event, the Soviets do not hold themselves responsible for the use to which their weapons are put.

The Soviets probably recognize that the Libyans will seek to use their arms stockpiles to influence Arab politics. It may be that Moscow thinks the impact of arms deals on the Arabs will be positive from their point of view—once again underscoring that only Moscow can provide the where-withal to challenge Israel.

The Soviets do not appear concerned over the possibility that Libya will transfer arms to other countries. Although the Soviets will retain a handle through control of spare parts, ammunition, and training, the Soviet equipment already in Libya gives Tripoli an impressive inventory. In the event war breaks out, the Libyans would have to depend on Soviet or other Arab air and sea transport to move rapidly substantial amounts of equipment—particularly SAMs and armor—to the Arab belligerents. Furthermore, Moscow has probably incorporated in its agreements standard clauses prohibiting arms transfers without Soviet consent. Moscow may think this will give it some influence over Libyan attempts to send arms to other Arabs.

#### **Qadhafi's Motives**

President Qadhafi, who once offered Egypt generous inducements to expel the Soviets, is now expanding his own ties with Moscow for political purposes that apparently transcend his anti-communist convictions. We do not believe Qadhafi has softened his ideological opposition or lost his basic

distrust of the Soviets; on the contrary, his contempt for them may ultimately disrupt the liaison. His motives are more opportunistic, stemming mainly from his desire to challenge Israel, its supporters, and those Arab leaders willing to accept a negotiated settlement.

Qadhafi believes negotiating with Israel is dangerous and doomed to eventual failure. He, therefore, wants a well-equipped arsenal, which must be Soviet-made to augment those of Arab nations that will fight a war he believes is inevitable. In the meantime, he plans to use his newly acquired weapons to unnerve Israel and to try to block peace negotiations. In this campaign, President Sadat and Egyptian policy are his primary targets.

Qadhafi hopes that a large flow of Soviet weapons into Libya will create unrest in the Egyptian military—based on envy and fear—and thus put pressure on Sadat to alter his negotiating stance. The Libyans are aware that some of Sadat's advisers are worried about deficiencies in Egypt's military inventory and troubled by Sadat's turn away from the Soviets. Qadhafi intends to play on these fears and appeal to the young, pro-Nasir audience in Egypt that he has usually been able to influence. The change in emphasis of the Egyptian media over the last week from personalized attacks on Qadhafi to serious consideration of his actions and their implications suggests anxiety that his strategy will succeed.

Qadhafi also yearns to recapture the influence he had during the years when Libya was setting the pace of Arab oil policy and planning a union with Egypt, the most powerful country in the Arab world. In the two years since then, Qadhafi has come to realize that his prospects are now almost exclusively dependent on his ability to re-establish an alliance with Cairo. He may, in fact, be hoping eventually to use Soviet arms to buy his way into another unity project with Egypt. Qadhafi's fixation on unity with Egypt often matches his desire to defeat Israel, and in his mind, the former may be a necessary first step in achieving the latter.

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While waiting for the right opportunity, Qadhafi might try to use his arms to bargain for Egyptian concessions on lesser issues—a meeting with Sadat, for example, or a firm declaration of Egyptian support for the Palestinians.

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[redacted]  
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[redacted] whatever the state of his relations with Sadat, Qadhafi would feel duty-bound to support the Egyptian military fully in the event of renewed hostilities with Israel. He had no trouble doing so during the 1973 war, despite his fury over Sadat's rejection a month earlier of union plans, and he is likely to give generously again.

Like most ideologues, Qadhafi can rationalize the bending of one principle, for example, nonalignment, to serve a higher purpose—in his case, the restoration of Arab Palestine and greater Arab unity. His swing toward Moscow is made easier by what he sees as Washington's unresponsiveness to Tripoli's recent diplomatic overtures, its foot-dragging on the release of US-manufactured and licensed arms, and its threatening posture toward Arab oil fields.

Whether Qadhafi fully appreciates the risks in becoming closely involved with Moscow is problematical.

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Despite this caution, the parallel between Qadhafi and his mentor, Nasir, is striking as well as paradoxical, given Qadhafi's outspoken opposition to Nasir's relationship with Moscow. Over the years, Qadhafi has fervently adhered to Nasir's teachings, mimicked his tactics and style, and—perhaps finally—lost sight of his mistakes. Unlike Nasir, Qadhafi does not need Soviet arms for Libya's defense; moreover, he has a bargainer's financial independence. Nevertheless, the Libyan leader's brash confidence, impatience, and near blindness to some political realities may leave him vulnerable both to his own actions and to his new patron.

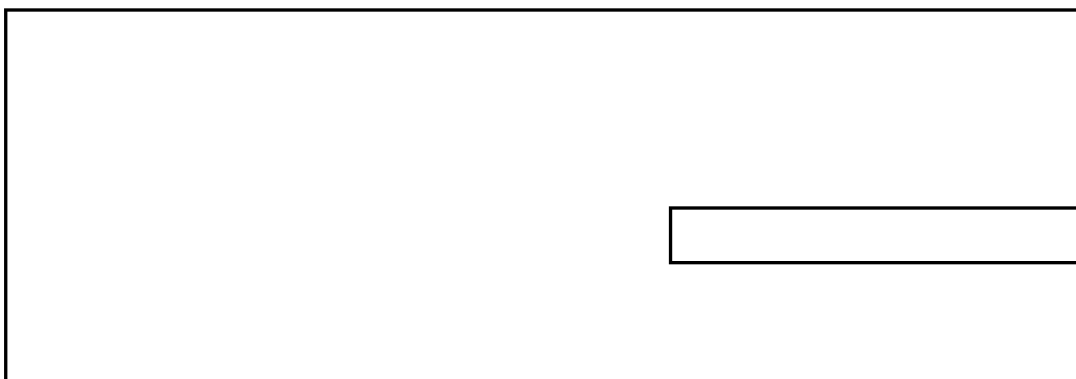
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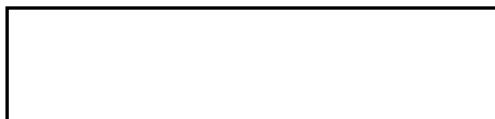
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### **Soviet Prospects**

The course of Soviet relations with Egypt will have significant influence on Soviet policy in Libya. The Soviets recognize that Egypt is still the country of paramount interest and influence in the Middle East. Even if Moscow were confident it could establish a firm footing in Libya, which it is not, Moscow would think it a poor second to a similar relationship with Egypt. Despite their deep problems with Sadat, the Soviets have not wanted to force an open break and foreclose the possibility of a restoration of their position in Egypt. The Soviets will be given pause by Sadat's restrictions on Soviet naval access to Egyptian ports in response to Kosygin's visit to Libya. While it seems unlikely that they will knuckle under to this pressure, they may want to avoid a further intensification of friction with Sadat. This suggests that they will go slow in developing their Libyan ties, unless relations with Sadat go further downhill.

The recently concluded arms deal already gives Moscow more influence than it has ever had in Libya. If Qadhafi is to make effective use of Soviet supplied equipment, he will need more Soviet support. The reported doubling of the number of Soviet military technicians permitted in Libya indicates the pressures that will be on him to increase his dependence on Moscow. Furthermore, control of resupply, spare parts and training will give Moscow important leverage.

But Moscow also faces powerful obstacles in Libya. Suspicion of the Soviets is strong, and Qadhafi remains xenophobic, nationalistic, and anti-communist. The heavy-handed Soviets have not been able to establish a good working relationship with more moderate Arabs—much less any with Qadhafi's volatile characteristics. The relationship is based on opportunism rather than shared interests, and friction over their conflicting approaches to a Middle East settlement can erupt at any time. Moscow must remember that if the Libyans become dissatisfied with the Soviet performance, they have the financial resources to send the Soviets packing and to seek alternate sources for their essential military needs.



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### Libyan Trouble-Making

Soviet cooperation with Libya may also encourage Tripoli's adventurism elsewhere in the Middle East and in the Muslim world. The fedayeen—already beneficiaries of Libyan financial and military aid—are regarded by Qadhafi as an important anti-Israeli instrument. Some of the Soviet arms going into Libya are, therefore, likely to end up in terrorist hands. A less immediate but more ominous possibility is that Qadhafi will revive a now moribund program for recruiting and training an Arab "liberation" army with terrorist components. At its peak in mid-1972, this program involved several thousand trainees from all parts of the Arab world.

Libya has already complicated Lebanon's current government crisis by encouraging with money and weapons Lebanese leftists and radical Palestinians in their feud with conservative Phalangists. In addition, Qadhafi has tried to promote concerted Arab pressure on Beirut to accept military assistance in order to protect itself from Israeli incursions. Fortified with more equipment than he can possibly use at home, Qadhafi may now try to channel more arms to Lebanon.

The Soviet-Libyan liaison may bear less directly on Qadhafi's interests beyond the derailment of Middle East peace negotiations. Libya's advocacy of a specifically Islamic Arab revolution has involved political meddling, financial aid, and in some cases low-level military support—all of which Qadhafi is fully capable of undertaking on his own. Soviet aid may, however, encourage Qadhafi to greater activism and enhance the allure of his ability to provide benefits to his clients. For example, Prime Minister Jallud's threat last week of military intervention in support of Omani rebels suggests that Tripoli was, indeed, emboldened by Moscow's endorsement a few weeks earlier. We do not take these threats seriously at this stage. But, we do expect a step-up in Libyan aid to the Dhofar rebels and their supporters in South Yemen and an intensification of Tripoli's propaganda campaign against Iran's military presence in the area.

Tripoli has provided assistance to assorted other clients who may now seek renewed or increased support.

- Libya has in the past supported Moroccan dissidents and is now probably giving aid to one or more liberation groups in the Spanish Sahara.
- Muslim dissidents in Ethiopian Eritrea have received Libyan support, which apparently has been increased since the outbreak of serious fighting in January.



- Libya has aided southern African liberation groups through regional organizations, such as the Organization of African Unity.

- Tripoli has boasted about support to the Irish Republican Army.

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- Muslim insurgents in the Philippines have received some money and small arms from the Libyans.

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## ANNEX I

EGYPTIAN AND LIBYAN PORT FACILITIES FOR  
SOVIET NAVY USE IN THE MEDITERRANEAN SEA

## EGYPT

Alexandria is the only port providing major repair support to Soviet naval ships in Egypt. Mersa Matruh and Port Said have limited facilities which have provided some supplies but no repair support to the Soviet ships. The Gulf of Sollum near the Libyan border has been used by the Soviets solely as an anchorage.

Alexandria has an improved natural harbor of some 1,400 acres and has extensive commercial and naval facilities. Fuel, provisions, and water bunkering are available, and considerable berthing and anchorage space also are present. In addition to large commercial facilities, Alexandria is the site of the headquarters of the Egyptian navy which has its own support and operational facilities in the port.

Soviet navy ships use the Al Qabbari shipyard which was built by the Soviets in the mid-sixties. It can accommodate surface ships and submarines. Among the more important facilities are two large drydocks (850' and 550'), marine railways which are used to move ships to one of four open building/repair ways, a covered repair way, and extensive machine shops. Floating and railway cranes also are available.

Port Said has extensive, unprotected anchorage space, but only limited naval berthing. Limited amounts of fuel and water and some provisions probably are available. Repair of the extensive damage caused by Israeli airstrikes during the 1973 war has been the major task of the Egyptian government in this area. Few, if any, Soviet ships have been supported by the port since the war. Port Said has no major repair facilities available for the Soviet navy. A small Egyptian naval base is located at Port Said.

Mersa Matruh had provided limited quantities of water and perhaps provisions for Soviet ships anchored in the Gulf of Sollum, but the port has little else to offer. The harbor is shallow except for a small man-made channel, and very limited berthing space, and only shallow-draft anchorages. Little storage and no significant repair facilities are available.

## LIBYA

Libya has three ports that might be used by Soviet warships, but none has facilities approaching those at Al Qabbari in Alexandria. Indeed, except

for anchorages and bunkering, Tripoli, Tobruk, and Benghazi could provide little in the way of support and virtually no significant repairs.

Tripoli has an excellent natural harbor, but only limited berthing space and protected anchorage space. Minor repairs to small craft and a variety of floating and wharf cranes are the only repair support available. Although Tripoli is the headquarters of the Libyan navy, it lacks any significant naval facilities of a size comparable to those at Alexandria. Anchorage is available outside the harbor and considerable amounts of fuel, as well as provisions and water bunkering facilities, are also available.

Benghazi harbor encompasses about 366 acres, but has very limited berthing space and no significant repair capability. Unlimited, unprotected anchorage is available as are limited amounts of fuel, water, and provisions. Benghazi probably could furnish more of these supplies than the Egyptian port of Mersa Matruh, but Soviet ships would still have to rely on auxiliaries for maintenance.

Tobruk has a large natural harbor of some 1,200 acres which has not been developed extensively. Only limited berthing and protected anchorage spaces are available, and virtually no significant repair facilities. Some water and fuel are available. Extensive, unprotected anchorage space is available which could be safely used for most of the year because of the relative calm of the sea. The size of the harbor and the location of Tobruk make it a better candidate for Soviet development than Tripoli. Tobruk has potential for development, but currently has little in the way of naval facilities.

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